

RULES AND PUBLIC POLICY COMMITTEE

DATE: July 7, 2009

CALLED TO ORDER: 5:01 p.m.

ADJOURNED: 5:31 p.m.

ATTENDANCE

ATTENDING MEMBERS

Robert Lutz, Chairman
Bob Cockrum
Monroe Gray
Barbara Malone
Angela Mansfield
Marilyn Pfisterer
Lincoln Plowman
Joanne Sanders

ABSENT MEMBERS

AGENDA

FISCAL IMPACT STATEMENT OF COLLECTIVE BARGAINING AGREEMENT FOR FIRE DEPARTMENT EMERGENCY MANAGEMENT – Chief Brian Sanford, Indianapolis Fire Department; Deputy Chief Scott Isaacs, Emergency Management Services; and Valerie Washington, Department of Public Safety
“Accepted”

Vote: 8-0

PROPOSAL NO. 269, 2009 - certifies a question to be submitted to voters in the November 3, 2009 special election regarding a referendum tax levy by Beech Grove City Schools
“Do Pass”

Vote: 8-0

PROPOSAL NO. 270, 2009 - certifies two questions to be submitted to voters in the November 3, 2009 special election regarding referenda tax levies by Franklin Township Community School Corporation
“Do Pass As Amended”

Vote: 8-0

RULES AND PUBLIC POLICY COMMITTEE

The Rules and Public Policy Committee of the City-County Council met on Tuesday, July 7, 2009. Chairman Robert Lutz called the meeting to order at 5:01 p.m. with the following members present: Bob Cockrum, Monroe Gray, Angela Mansfield, Marilyn Pfisterer, Lincoln Plowman and Joanne Sanders. Barbara Malone arrived shortly thereafter. Attorney Jon Elrod was in attendance on behalf of General Counsel Robert G. Elrod, and Chief Financial Officer James Steele represented Council staff.

Chairman Lutz asked all Committee members to introduce themselves and indicate which part of the County they represent.

FISCAL IMPACT STATEMENT OF COLLECTIVE BARGAINING AGREEMENT FOR FIRE DEPARTMENT EMERGENCY MANAGEMENT – Chief Brian Sanford, Indianapolis Fire Department; Deputy Chief Scott Isaacs, Emergency Management Services; and Valerie Washington, Department of Public Safety

Chairman Lutz said that a letter has been circulated to address some of the concerns brought up at the last committee meeting regarding this issue. [Clerk's Note: The letter is attached as Exhibit A.] He asked Mr. Steele to review discussions that have taken place since the last meeting. Mr. Steele said that since the last meeting, he has had discussions with Chief Sanford, the president of the Firefighter's Union, the Chief Financial Officer of the Department of Public Safety (DPS), and the City Controller, and he believes they have come up with a reasonable solution to the committee's concerns. He said that he appreciates all of the hard work and negotiation between all parties to resolve this matter. He said that he believes the solution resolves all of the concerns, yet still accomplishes the same intent of the original contract.

Chairman Lutz said that for those unfamiliar with the issues brought up at the last meeting, there were some concerns with a couple of provisions of the contract regarding signing bonuses and revenue sharing. He said that the letter clarifies those issues, and he has no outstanding concerns.

Councillor Gray asked if Emergency Management Services (EMS) made any profit in 2008. Chief Sanford said that EMS did generate revenue, but did not operate in the black as a profit-making entity. Councillor Gray asked if they are projecting any profit for 2009. Chief Sanford responded that they are not expecting to make a profit beyond operating expenses, salaries and benefits. He added that they project that revenues will be half a million dollars short of breaking even for 2009. Councillor Gray asked where they will get the extra half a million to cover operating expenses. Chief Sanford said that this money is included in the operating budget. Councillor Gray asked if they will then be coming back for additional funds. Chief Sanford stated that they do not expect to come back requesting additional funds and believe the revenue shortfall is covered by the operating budget. Mr. Steele added that the fees EMS charge for ambulance runs are based on costs, but Medicare and Medicaid do not reimburse based on cost, and have certain levels of reimbursement. While some other insurance

plans may reimburse more than Medicare and Medicaid, there is no way EMS could operate fully on revenues and break even, because they cannot charge more than the cost to provide the service, regardless of reimbursements.

Chairman Lutz said that this is the reason he does not refer to the program as profit sharing, but instead views it as more of a revenue sharing program to encourage emergency medical technicians (EMTs) on the scene to get more information, which results in the collection of more revenue to reach a certain amount. Then if the efforts of the EMTs produce revenues that exceed that level, they can share in that increase. He said that he believes it is a unique program and is worth trying. Councillor Pfisterer stated that it is really another way to simply improve collections. Chairman Lutz said that this is the goal of the program, and he hopes it works out that way.

Councillor Plowman moved, seconded by Councillor Pfisterer, to send the fiscal impact statement to the full Council with a "Do Pass" recommendation.

Councillor Cockrum said that he does not believe the statement has to go before the full Council, but is simply acted on by this committee. Chairman Lutz said that this is correct. Councillor Mansfield asked if the proper motion is to approve the statement or simply acknowledge that it has had a hearing. Chairman Lutz said that there is a special form that is filled out, and the proper motion would be to determine that the fiscal impact statement is acceptable and recommend finalizing the collective bargaining agreement.

[Clerk's Note: Councillor Malone arrived at 5:08 p.m.]

Councillor Plowman moved, seconded by Councillor Pfisterer, to determine that the fiscal impact statement is acceptable and recommend finalizing the collective bargaining agreement. The motion carried by a vote of 8-0.

[Clerk's Note: A copy of the accepted form and fiscal impact statement is attached as Exhibit B.]

PROPOSAL NO. 269, 2009 - certifies a question to be submitted to voters in the November 3, 2009 special election regarding a referendum tax levy by Beech Grove City Schools

Chairman Lutz stated that this is not a tax increase imposed by this body, but this proposal leaves it up to the citizens who live in the Beech Grove school district to determine whether or not the tax increase takes place. Drew Carlson, Office of Corporation Counsel, stated that he is in attendance on behalf of the Election Board to certify a question to be submitted to voters of the Beech Grove school district at a special election in November. Chairman Lutz said that as he understands it, the language that is part of the resolution is statutory language. Mr. Carlson said that the form of the question is dictated by statute, as is the process. He said that other than the

fourth "Whereas" statement, most of this language is taken directly from the statute. Chairman Lutz read the question to be included on the ballot:

"For the next seven calendar years immediately following the holding of the referendum, shall the Beech Grove City Schools impose a property tax rate that does not exceed thirty-five cents (\$0.35) on each one hundred dollars (\$100) of assessed valuation and that is in addition to the school corporation's normal tuition support tax rate?"

Councillor Pfisterer asked why a special election is being held in November in a non-election year, and why they do not just wait until May of 2010 during the primary election to include this question on the ballot as a cost-saving measure. Paul Keiser, superintendent of Beech Grove Schools, stated that the one percent property tax cap goes into effect in 2010, and if they wait until May, they will lose half their budget. He said that because of the cap, they are already lined up to lose \$1.4 million out of bus replacement and capital projects. He said that there is no construction money included in this referendum, but waiting six months into the process to decide on the increase will leave them less money available to run the buses. He said if the referendum is not approved, they will have to re-evaluate expenses and look at personnel and transportation options, such as layoffs and discontinuing to bus children into Beech Grove schools. Councillor Pfisterer asked if there is any language in the statute that could make this increase retroactive, so that it could be done next May. Mike Wallman, legal counsel for Beech Grove Schools, stated that there is no provision for retroactivity in the statute. He added that as testified at the Administration and Finance Committee meeting, there is a letter of memorandum from the school district to cover the cost of the special election. He said that they are working out covering those costs with the Election Board, in light of other referenda that might also be taking place, such as with the Health and Hospital Corporation.

Chairman Lutz stated that this committee is only dealing with the certification of the question and not the funding piece. He said that the fiscal issues involved with this referendum were handled by the Administration and Finance Committee on June 30, 2009. He asked for clarification if this increase is just for the operating budget and not for construction projects. Mr. Keiser said that this is correct, and the only construction it might cover would be regular upkeep of existing buildings, such as roof repairs or maintenance. Chairman Lutz said that certifying this question, then, puts the decision in the hands of the citizens of that district regarding their taxes and will not affect the taxes of citizens in other districts.

Councillor Gray asked why the committee is hearing this matter. Chairman Lutz said that this committee is simply certifying the question and directing the Election Board to include the question on the ballot. Mr. Elrod added that the statute clearly states that concerning referendums, the county fiscal body must certify the question to be voted on to the County Election Board. He said in the prior statute there were tax control boards created, and those were the bodies that would certify these items to the Election Board.

He said that in his reading of the statute, it is mandatory, and there is no discretion of the fiscal body not to pass the proposal. He added that with regard to Councillor Pfisterer's question about waiting until May, the statute states that if a school board adopts a resolution, and it is more than six months before the next election, the referendum must take place sooner than that election. Councillor Gray asked if they then do not have to pass this proposal, but just have to hear it. Mr. Elrod said that the statute says the fiscal body must certify the question, and the way to certify the question is to pass the proposal.

Councillor Mansfield asked if the seven-year period is statutory. Mr. Carlson responded in the affirmative. Councillor Mansfield stated that this is one of the reasons she had concerns about the property tax cap at one percent, which is ridiculously low compared to other states. She asked if all the other local school districts will now come to the Council asking for referendums, especially since the recent budget passed by the state goes against urban area schools. Mr. Carlson stated that he does not know, but with these two, and another possible request from Perry Township regarding capital projects, there may be more. Mr. Keiser said that Beech Grove is a small district and cannot make up the loss of tax revenue in other ways like some larger school districts may be able to do. He said that they are different from Franklin Township Schools, who are also asking for a referendum this evening, in that they are only asking for help in their operating fund, and not their general fund. He said that Beech Grove's general fund is also operating in a deficit, but they can cut spending and believe they can address that deficit in a two- or three-year period. He said that the revenue is directly linked to assessed valuation (AV), and Beech Grove's AV dropped \$30 million in the reassessment. Councillor Mansfield said that, in clarification for the public, once these referendums are passed, the taxes will go outside that one percent cap. She said with these local communities passing additional taxes through referendums, property taxes will be more than one percent in reality. Chairman Lutz said that this is correct, but the decision will be made by those voters upon whom that tax is imposed in that district, rather than by someone in another area of the County.

Councillor Plowman asked Mr. Elrod, since it seems to be mandatory that they pass it, if there is a penalty if they do not approve the certification. Mr. Elrod said that the Council could face a lawsuit and injunction brought about by the school district.

Councillor Pfisterer moved, seconded by Councillor Mansfield, to send Proposal No. 269, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 8-0.

PROPOSAL NO. 270, 2009 - certifies two questions to be submitted to voters in the November 3, 2009 special election regarding referenda tax levies by Franklin Township Community School Corporation

Chairman Lutz stated that he believes there is an amendment to be offered for this proposal. Mr. Carlson said that for consistency's sake and to make things easier to

read and understand, he would like to propose an amendment on the floor to change the wording in the second question in the last "Whereas" statement to read "sixteen and two-thirds cents" and to make the language of the amounts consistent in Section 2 of the proposal to read "thirty-three and one-third" and "sixteen and two-thirds" in the questions as restated there. He said that instead of getting into one-thousandth denominations, it would be more understandable for the voter and less printing costs for the ballots to change that wording and make it consistent. Chairman Lutz asked if the numbers in parentheses also need to be changed. Mr. Carlson said that the numbers can remain the same, as they still represent the numbers included in the school board resolutions.

Councillor Cockrum asked if the total cost of the two combined would then be approximately fifty cents. Mr. Carlson stated that this is correct.

Chairman Lutz asked if this is basically the same situation as previously discussed with Beech Grove Schools, except that Franklin Township Schools are asking for an increase for both their operating and general funds. Jim McWert, director of business for Franklin Township Schools, responded in the affirmative and stated that the thirty-three and one-thirds cents rate is for the operating fund, and the sixteen and two-thirds cents rate is for the general fund. Chairman Lutz asked if any of this is related to construction funds. Mr. McWert said that there are no construction funds involved in this request.

Councillor Sanders asked how they will educate the public on the distinction between the two, since the actual question does not indicate which fund is imposing which tax rate. Mr. McWert said that they will have several meetings and discussions in the community to educate the voters, but according to statute, they cannot control that language. Councillor Malone asked if the statute does not allow for clarification. Mr. Carlson said that the language is already written in the statute, and the referendum must be identical to the language mandated by statute. He added that one of the school corporations tried to change the language with their board resolution and were not allowed to change the statutory language.

Chairman Lutz asked why the school corporation could not just add the two amounts together and ask for a rate of fifty cents and then divide it up later. Mr. McWert said that the statute allows two reasons for having a referendum, and they are applying for an imposed rate based on those two reasons. One piece is the responsibility to provide educational services in the community, for which the sixteen and two-thirds cents rate is being sought. The other is due to the circuit breaker tax cap impact, and that is the other thirty-three and one-third cents. Chairman Lutz asked if approved by the voters, the rate for Franklin Township taxpayers would then be over the one percent cap. Mr. McWert stated that this is correct, and if they went to the maximum, it would be fifty cents over the cap. He said that this is a maximum amount, though, and many years it may be below that amount.

Councillor Pfisterer said that there was some discussion about the educational piece at the Administration and Finance Committee meeting, and she asked if Mr. McWert could address those comments. Mr. McWert said that he was not in attendance at that meeting, so he is not sure what was discussed specifically. However, with the general fund piece, they need to have the revenue available to maintain current programs with class sizes and staff levels remaining relatively the same. He said that the deficit in the general fund has resulted a lot in part to the schools' funding formula that the General Assembly puts in place. He said that Franklin Township is a growing district, and the funding formula has not kept up with the growth in that area. The other piece deals with the caps involved, and different corporations will feel the impact at different levels; and in some cases, it will be pretty strong because of debt service. He said that this is the case in Franklin Township, because of new buildings within their district. Councillor Pfisterer thanked Mr. McWert for that explanation, but said that she was referring more to the aspect of educating voters in the district. She said that she believes it was testified that educational pieces would be mailed to every registered voter in the Beech Grove district and asked if that would be the same for the Franklin Township Schools. Mr. McWert said that the educational efforts have not yet been determined, but he would imagine they would educate the voter in a variety of ways, such as direct mailings, letters sent home from school and town hall meetings. Councillor Plowman asked how that educational process will be funded. Mr. McWert said that they hope to get donations to cover most of that cost, but can also pay with general funds. He said that they have a committee set up to look for donations to cover such costs. Councillor Plowman asked if they are allowed to use tax dollars for this. Mr. McWert said that for this type of referendum, they can use tax revenue; but for construction referendums, there is a different set of rules. Councillor Mansfield asked if there is an estimate as to how much this educational process will cost. Mr. McWert said that their plans have not gone to that extent yet, and they do not have any estimates at this point.

Councillor Sanders moved, seconded by Councillor Pfisterer, to "Amend" Proposal No. 270, 2009 as per Mr. Carlson's recommendation to change all the amounts for tax rates to thirds for consistency. The motion carried by a vote of 8-0.

Councillor Plowman moved, seconded by Councillor Sanders, to send Proposal No. 270, 2009 to the full Council with a "Do Pass As Amended" recommendation. The motion carried by a vote of 8-0.

There being no further business, and upon motion duly made, the meeting was adjourned at 5:31 p.m.

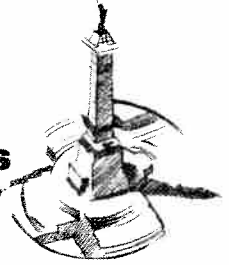
Respectfully Submitted,



Robert Lutz, Chairman

RL/ag

City of
Indianapolis
Gregory A. Ballard, Mayor



Mr. Wayne Smith
President, Fire Fighters' Local 416

June 30, 2009

Re: Understanding of EMS Agreement

Dear Mr. Smith,

This letter serves to address the Rules & Policies Committee's ("Committee") questions that were voiced at the hearing on May 26, 2009. This letter agreement shall serve to clarify the issues raised.

The Committee sought clarification of two (2) provisions in the Agreement: (1) the ratification bonus (Article VIII, Sec. 11), and (2) the revenue sharing provision (Article VIII, Sec. 7).

The payment to be made to your union members is not technically a "bonus" for any work performance. Nor is it an attempt to unduly influence a ratification election. As such, it should not be labeled a "bonus". The payment is more appropriately to be referred to as a "contract lapse period/non-contractual work period supplement". These terms more accurately reflect the nature of this payment of funds to the union members. Our understanding then of the Agreement would be that no "bonuses" are being paid, but that the payment to the union members recognizes the continued enhanced value of the work on the part of the members for a period of time not covered by contract. Therefore, I am proposing that going forward we refer to this provision as, "Non-Contractual Work Period Supplement."

The Committee also asked for additional refinement and explanation of the scope of the revenue-sharing provision, Article VIII Section 7. In particular: (1) what is the definition of net revenue, and (2) how would a raise in the rates affect (or not affect) that provision. I believe that our mutual understanding of this provision of the Agreement is as follows:

Net revenue is defined as revenue that is deposited into the Fire General Fund minus contractual write-offs, Medicare and Medicaid maximums and hardship write-offs deducted from the gross revenue amount.

The Agreement bases the financial incentive provisions on increases to net revenue from ambulance operations expected to be the result of more efficient billing practices together with rate increases already approved that are not connected to Medicare and Medicaid fees. So as to avoid any "windfall" profit taking net revenues shall not be

Office of Corporation Counsel

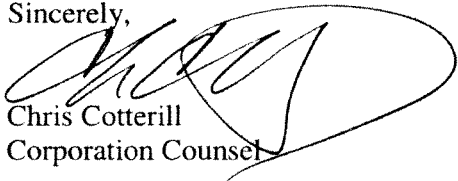
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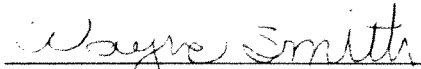
deemed to include subsequent rate increases caused by any action of the United States Government as it affects Medicare and Medicaid reimbursements. Similarly, if the rates charged by the Indianapolis Fire Department for ambulance/EMS are raised after the date of this Agreement, those rate increases would not be included in the meaning of "net revenue" for purposes of the financial incentives for the purpose of the contract


Local 416 union members would, however, benefit from expected increases in collections under the new collections contract for non Medicare and Medicaid billing. This effect would simply reflect the success of the members' efforts in charting and recordkeeping of all procedures performed and forwarded to the collections contractor, as well as the successful implementation of new electronic billing practices and systems.

With these clarifications of the Agreement, I am confident we have addressed the concerns of all parties and have accurately captured the understanding of the union and the DPS in this Agreement. If there are any other issues to address, please contact Sam Karn. Your signature below will indicate the union's acceptance of the clarifications within this letter.

Sincerely,


Chris Cotterill
Corporation Counsel


Wayne Smith, President Local 416


Date

COMMITTEE ON RULES AND PUBLIC POLICY

COMMITTEE REPORT on FISCAL IMPACT STUDY of TENTATIVE COLLECTIVE BARGAINING AGREEMENT between the CITY OF INDIANAPOLIS and INDIANAPOLIS METROPOLITAN PROFESSIONAL FIREFIGHTERS ASSOCIATION, LOCAL 416

THE TENTATIVE AGREEMENT: On July 7, 2009, the City of Indianapolis and the Indianapolis Metropolitan Professional Firefighters Association, Local 416 approved a tentative collective bargaining agreement for certain employees of the Emergency Medical Services Division of the Indianapolis Fire Department, a copy of which has been provided to the committee.

THE FISCAL IMPACT STUDY: The Controller prepared a Fiscal Impact Study as required by Sec. 291-610 of the Revised Code of the Consolidated City and County. A copy of that study dated, May 22, 2009, is attached as Exhibit A to this report.

THE PUBLIC HEARING: The Committee on Rules and Public Policy held a public hearing on the Fiscal Impact Study on Tuesday, May 26, 2009, as required by said Sec. 291-610.

THE COMMITTEE REPORT: After public hearing and consideration of the Fiscal Impact Study, the Committee accepts the Fiscal Impact Study as presented by the controller as accurate, and:

☒ determines the fiscal impact of the tentative agreement is acceptable and recommends finalizing the collective bargaining agreement as stated in the Fiscal Impact Study;

[OR]

☐ determines the fiscal impact of the tentative agreement is unacceptable and recommends that the tentative agreement not be finalized unless modified in the following respects:

[insert committee reservations about the tentative agreement]

ACTION: The adoption of this report was moved by Councillor Plowman, seconded by Councillor Pfisterer. The motion was passed by a vote of 8 ayes and 0 nays on the 7th day of July, 2009.

Chairperson

FISCAL IMPACT STATEMENT OF THE COLLECTIVE BARGAINING AGREEMENT

**Between the City of Indianapolis
and
Indianapolis Metropolitan Professional Firefighters Association Local 416**

On Behalf of the Emergency Medical Services Division of the Indianapolis Fire Department

Prepared by the Office of Finance and Management - May 22, 2009

CONTRACT SUMMARY

This is the first labor agreement covering Emergency Medical Technicians, (EMT) and Paramedics employed by the Emergency Medical Services (EMS) of IFD. Prior to the consolidation of the former Warren Township Fire Department into IFD, there was a labor agreement covering that township's EMS workers. The Warren contract expired 12/31/08. The EMS workers hired by IFD to serve the former Washington Township Fire Department have never been covered by a labor agreement. This proposed contract covers all of the EMS workers employed by IFD, serving both Warren and Washington townships.

This contract covers the period January 1, 2009 through December 31, 2011.

Below are estimated annual and cumulative costs resulting from this contract:

3 YEAR CONTRACT – 2009 THROUGH 2011 (Cost related to the existing contract, compared to 2008 costs.)

| | 2009 | 2010 | 2011 | 3 YEAR TOTAL |
|---|----------------|----------------|----------------|------------------|
| 1st year increases including special pays | 343,115 | 343,115 | 343,115 | 1,029,344 |
| 2nd year changes (adds 2% wages + deferred comp.) | | 141,290 | 141,290 | 282,580 |
| 3rd year changes (adds 3% wages + higher deferred comp contribution.) | | | 178,370 | 178,370 |
| TOTALS | 343,113 | 484,005 | 662,775 | 1,490,294 |

Highlights of the fiscal components of the contract are shown below.

WAGES – There are approximately 69 EMTs, Paramedics and Paramedic Educators covered by this agreement. Under the agreement, some workers will see a reduction of their base pay in 2009, compared to 2008. However, any reductions are offset by increases in other compensation

Beginning in 2010, the City will contribute twenty-five cents (\$.25) for each dollar (a 1:4 match) that the Member contributes to their 457(b) account up to the following maximum City contribution:

2010 -- \$10.00 per pay

2011 -- \$20.00 per pay

CLOTHING ALLOWANCE Except for probationary Members, Members shall receive a clothing allowance of Four hundred (\$400) dollars due before July 1 of each year.

RATIFICATION BONUS

Upon final approval of this contract, each non-probationary Member will receive a one-time, lump sum bonus of \$1240.